

PERFORMANCE ASSESSMENT IN HIGHER EDUCATION

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CONCLUSIONS

There are several methods of performance assessment used by corporations that can be applied in higher education institutions as well. One Hungarian and one foreign example show that it is an effective way of forming a solid basis for fair remuneration and thus for motivating employees. On a long run it would be inevitably necessary for making Hungarian higher education more competitive.

ABSTRACT

Motivating employees is one of the highly important areas of human resources management (HRM). As people are best motivated by their intention to satisfy their own needs, the task of HRM is to satisfy the employees' need for remuneration in a fair and just manner. This can be achieved if an organization operates a formal and professional system of performance assessment. It is not only blue-collar workers whose performance should be assessed; white-collar workers should also be included. In areas where intellectual activity plays a dominant role, as is the case with higher education, omitting an evaluation of the performance of „white collar workers” is, of course, out of the question. In spite of this it turns out from my survey including 11 Hungarian universities that only one institution operates a professional performance assessment system. Thus, efforts should be made in order to introduce formal performance assessment in Hungarian higher education. One of the possibilities can be to operate a system similar to that of the University of Leeds, Great Britain, also presented in my paper in details.

INTRODUCTION

Motivating employees is one of the extremely important areas of the theory of management, in particular, human resources management. Its importance is obvious: no matter how clearly the objectives are specified for the employees and regardless of the availability of all necessary resources and all conditions for cooperation, no appropriate results can be expected from an employee who lacks dedication to perform highest quality work with the necessary intensity. (1) People are best motivated by their intention to satisfy their own needs, therefore appropriate motivation requires familiarity with their needs. At the heart of a number of need theories (for example, Vroom's and Porter-Lawler's expectancy theory, Adams' equity theory), there is the idea that people predominantly expect to perform well as a result of their own efforts, and also to get rewarded for this. When performance or reward are not commensurate with the effort, employee motivation will decrease, which in turn entails less effort. One does not simply expect to receive a reward that is in line with his efforts but

also that it is appropriate *in comparison with those of others*. In order for an individual to receive fair reward compared to his and others' efforts performances should be measured on a continuous basis, in other words, regular performance assessment is needed. Of course, each organization applies some kind of performance assessment, nevertheless, a performance assessment that is accomplished spontaneously, according to informal and not clearly specified aspects, is not just unsuitable for its purpose, it can even have a number of negative effects. Irregular and occasional remarks, extemporary solutions may have the following undesirable consequences

- employees are demoralized by the inequity resulting from reward that is disproportionate with performance;
- an organization cannot have its employees meet the requirements;
- individual capabilities may not become manifest owing to lack of motivation;
- reasons for poor performance and, hence, opportunities for advancement, may remain concealed.

Benefits that can be derived from formal performance assessment include the following

- allows for reward that is commensurate with performance, thereby it strengthens the employee's sense of justice;
- promotes the realization of the organization's requirements;
- has a positive effect on employee motivation;
- provides guidance for the management with regard to purposefully develop their subordinates' performance and activate their hidden capabilities (2).

According to an often-heard – in my view, false – opinion, mainly the performance of blue collar workers should and can be measured. Regardless of the organization involved, the performance

and motivation of the white-collar workers is at least as important for the overall efficiency of that organization as that of its blue collar workers. Of course, in organizations where intellectual activity plays a dominant role (and that is typical of higher education), assessing the performance of „white collar workers” cannot be ignored. While measuring the efficiency of intellectual output is more difficult than determining the performance of a factory worker producing items that appear easier to quantify, there are a number of methods that are suitable from the point of view of assessing performance that cannot be expressed in terms of numbers (see the next chapter for a presentation of the methods applied). I find it important to emphasize the fact that performance assessment should be targeted not to individuals alone; rather, it should be extended to incorporate units within an organization and also organizations as a whole. If the performance of a unit within an organization is not included in the assessment, it is impossible to determine the contribution of each unit to the success or failure of an organization, therefore, a possible measure cannot be implemented in an efficient way either. Assessing the performance of an organization as a whole is necessary in order to ensure that the objectives of the organization are met in a timely manner.

OBJECTIVES, IMPORTANCE, AND METHODS OF PERFORMANCE ASSESSMENT

Formal performance assessment is a system in which the extent to which employees comply with their job/task requirements is assessed on a regular and principled basis and the findings of which are communicated to the employees concerned. A performance assessment may be used, among other purposes, for

- promoting and rewarding individual efforts;
- identifying individual training needs;
- determining an employee's strong and weak points and keeping track of his or her development;
- planning labour force;
- making information available with regard to promotion, replacement, relocation, and discharge;
- reviewing job descriptions, working objectives and requirements;
- and, finally, making employees aware of the way their performance is assessed by their organization.

As the above list indicates, performance assessment can be accomplished with two goals in mind: evaluation and development.

What is to be assessed?

In the ideal case, exact numbers are available to measure efficiency for the purposes of performance assessment. However, this is difficult to accomplish in most intellectual jobs, especially in the institutional sphere. Therefore, objective data needs to be replaced with different types of criteria. Here belong the quality of work, knowledge of the job, presence, punctuality, reliability, initiatives, inclination to cooperate or provide assistance, assumption of responsibility, assiduity, working capacity, etc. The performance factors that are typically assessed include the following

- knowledge, capabilities, and expertise applied in the course of work;
- attitude to work in terms of inspiration, dedication, and motivation;
- quality of work measured on a continuous basis;
- quantity produced;
- relations with fellow employees.

(3)

When determining units of assessment, the following options appear available

- individual attributes, personal features;
- individual behaviour and activities;
- individual achievements (output);
- results attained by the given unit or team of the organization;
- results attained at the organization level. (4)

What methods are to be used for assessment?

The techniques most frequently used for the evaluation of individual performance are the following:

Hard methods

(1) *Grading scale.* The assessor lists the performance factors that he considers as the most important ones and evaluates their realization by assigning a grade to each factor on a scale from 1 to 5, adds up the numbers thus obtained and specified individual performance using a concrete figure. A scale like this may be compiled, for example, in the following way: unacceptable and making no progress – 1, not yet acceptable but making progress – 2, just acceptable – 3, performing above requirements – 4, performing well above requirements – 5. This method, combined with an appropriate selection of performance factors, can also be applied to assess the performance of those doing intellectual work.

(2) *Work norm.* The manager specifies a normal production output for his or her subordinate in the form of a time- or item-related norm and monitors the achievement of that norm. Such a method can be applied mostly in the case

of blue collar workers and in some specific jobs requiring intellectual work (e.g., a typist); management theory, however, considers this method of evaluation applicable even to the workers mentioned in combination with other methods.

Soft methods

(1) *Essay.* The assessor identifies in a written report the strong and weak points of the person being assessed in such a way that he specifies in advance the aspects to be taken into consideration in relation to all employees. This method is well suited to assessing the performance of intellectual workers.

(2) *Critical incident method.* The assessor collects and records exceptionally favourable and extremely bad (critical) incidents of the work behaviour of those being assessed. Again, this method is well suited to assessing the performance of intellectual workers.

(3) *Grading scale based on behaviour forms.* By combining a conventional grading scale with the critical incident method, the assessor tries to identify cases for excellent, average, poor, etc. behaviour for each performance factor. This method is also well suited to assessing the performance of intellectual workers.

(4) *Behaviour monitoring scale.* The assessor describes the behaviours that represent the most important elements of the given job and indicates the frequency with which the various elements of behaviour occur regarding the person being observed in the period of assessment. This method is also well suited to assessing the performance of intellectual workers.

(5) *Objective-orientated management.* The manager and the subordinate together specify the objectives that the person being assessed is expected to achieve

in a given period, then they evaluate the realization thereof also together. This method is also well suited to assessing the performance of intellectual workers.

(6) *Self-evaluation.* This method can be applied successfully as an additional method of assessment. It appears especially useful when the result of self-evaluation is compared to managerial assessment and the relevant conclusions are drawn mutually. This method is also well suited to assessing the performance of intellectual workers.

(7) *Evaluation discussion.* Following preliminary preparation, the manager discusses, with the person being assessed, his performance, the underlying reasons and the opportunities for development. This method is usually applied efficiently when used after other methods. This method is also well suited to assessing the performance of intellectual workers.

Methods used to assess several persons at a time are the following

(1) *Ranking.* Here, the assessor is required to establish a rank of his subordinates, from the best to the worst. This method is not well suited to assessing the performance of some intellectual workers (e.g., academic staff) because of the diversity of the aspects of assessment.

(2) *Forced division.* The assessor divides subordinates into various performance categories according to a pre-specified proportion. This method is not well suited to assessing the performance of some intellectual workers (e.g., academic staff) because of the diversity of the aspects of assessment.

Of course, performance assessment provides a true picture of employee performance when the employees are evaluated using more than one method.

Who should assess?

An organization may decide on commissioning an external expert to perform the assessment; alternatively, the organization may accomplish the assessment by itself. When an organization performs assessment by itself, the first-line supervisor of a subordinate is typically in the best situation to monitor and evaluate the subordinate's behaviour. As a result, in most cases it is the first-line supervisor who does the assessment. In recent years, however, there have been more and more supporters of the use of multiple rating sources, incorporating the opinion of various evaluators, the so-called 360-degree solution. An evaluator may be a senior manager, a peer, a customer, etc. While this method is obviously more time-consuming and complex, it nevertheless has a number of advantages

- it provides a more precise and complete picture of an employee's performance;
- eliminates any bias that may be inherent in evaluations performed by one assessor only, therefore it is fairer;
- improves team spirit;
- allows for evaluation by those who are affected by the activity performed by the person being assessed.

Management theory considers so-called evaluation from the bottom up an important method where subordinates evaluate their superiors. This method can be applied successfully if an organization is confident that its employees are honest, fair and capable persons, or the subordinate hidden in anonymity will not take revenge on his or her supervisor who may require more than he/she accomplishes (5).

In the case of organizations whose basic activity is related to services, rather than production, it is a must to allow customers to evaluate the performance of

those who they get into contact with, since keeping the customers satisfied is the most important performance factor in such a case.

PERFORMANCE ASSESSMENT IN HUNGARIAN HIGHER EDUCATION

Satisfying the employees' need for fair remuneration in the public sphere, including higher education, is essentially hindered by a lack of evaluating individual performance and, hence, performance-dependent wages and financial benefits derived from extra performance. Given the centrally determined and uniform wage schedule, there is almost no opportunity to differentiate between the performance of one person in a given wage category and another. Thus, the need for appraisal of employees with outstanding performance remains basically unsatisfied in the public sphere. When these employees compare their „reward” with that of a peer who is assigned to the same public employee category but works much less or to the salary of a person with similar skills but working in a different sphere, chances are they will find their own reward anything but fair. As a result, the public sphere appears little suited to satisfy the need to grant more reward for those performing more and better. For a large part of public employees and public servants (including those who typically derive less motivation from their dedication to their specific work or those with average abilities or particular conditions which prevent them from rising to the considerably higher upper wage categories or leading positions), this entails a lack of drive to perform better than average. These people could be forced to make greater efforts only by way of measuring their performance on an individual basis and applying a wage system that would rely on individual output and represent a system of wages that would be

both differentiated and motivating. As far as Hungarian higher education is concerned, decision-makers appear to realize that the mechanical and rigid system of public employee wages is to be changed in order to provide for a higher education that is more competitive, efficient, and attractive for quality work force. However, there appear to be no ideas, let alone, efforts, in sight that would pave the way toward the introduction of a performance assessment that could serve as a basis for a differential wage system. I made a survey including 11 Hungarian universities, and it turned out that there is only one (*Pannon University of Veszprém*), that operates a professional performance assessment system – with great efficiency. About the essence and effects of this system see *Gyimesi-Marosi, 2004* (6). Thus, efforts should be made in order to introduce formal and professional performance assessment in Hungarian higher education as well.

What is to be assessed?

The most commonly raised argument against the performance assessment of employees in higher education relates to a lack of readily available and exact methods to rate the efficiency and output of their work. While this may be true for some of the activities they are engaged in, university instructors perform work whose output has a number of quantifiable elements. Here belong, For example, scientific output or success in submitting winning proposals. In most universities, a system has been elaborated and applied to measure the quality of teaching which students use to assess their instructors' work on the basis appropriate performance factors established upon consensus of those involved. In addition, there are also other performance criteria that can be applied to uni-

versity instructors, of course, including job experience, presence, punctuality, reliability, initiatives, inclination to cooperate or provide assistance, assumption of responsibility, loyalty, inclination to self-training, flexibility, assiduity, working capacity, etc. As far as individuals working in higher education are concerned, I find assessment of the following factors necessary:

Instruction-related activity:

- due delivery of classes;
- preparation for classes;
- integration of recent scientific results in the learning material;

- pedagogical methods applied;
- methodology applied;
- provision of auxiliary materials;
- readiness to assist students;
- fair checking of acquired knowledge.

Scientific activity:

- scientific progress;
- publication activity;
- results attained in research;
- results attained in submitting proposals.

Miscellaneous:

- preparation of students, thematic guidance;
- preparation of textbooks and other learning aids;
- participation in department activities;
- development of individual skills (language learning, computer literacy);
- establishing and maintaining educational and scientific relations;
- acquisition of resources;
- other performance factors not specific to higher education (see above).

As for the various units of the organization (department, institute, etc.), the following items need to be assessed:

- compliance with training objectives;
- efficient and economical operation;

- scientific output;
- development of human resources;
- generation of own revenues;
- participation in tasks at the organization level.

At the level of the organization as whole, the following items need to be assessed:

- compliance with training tasks (enrolment of a sufficient number of students, student satisfaction, content of training offers, level and infrastructure of instruction, the value of the diplomas issued, market position);
- scientific performance (scientific qualifications, research conditions, success in submitting winning proposals, scientific cooperation);
- economic performance (cost-efficiency, changes in own revenues).

What methods are to be used for assessment?

As far as higher education is concerned, individual evaluation should be sufficient; comparative assessments of several employees may be required in cases where decisions concerning the staff (e.g., discharge) are to be made. Aside from work norm, in principle, all of the methods presented above appear suitable for the evaluation of the employees' performance in higher education. Methods based on the monitoring of behaviour are difficult to implement in practice because the first-line supervisor is not present at all times owing to the character of the activity (instruction). I find essays prepared on the basis of specific aspect, objective-orientated management, and evaluation discussion most appropriate for the given purpose. The application of grading scales – regardless of all its disadvantages – is suitable for comparing individual performances within each unit of the organization and

may yield more specific results than those provided by soft methods. SWOT analysis appears more appropriate for an evaluation of units of organization and whole organizations, occasionally supplemented by public opinion or market research. For units of an organization, elaboration of a grading scale may be appropriate, suitably supplemented by a self-evaluation prepared by the head of the given unit. In addition, the top manager should assess the above performance factors on the basis of the essay method compiled according to the specific aspects.

Who should assess?

Due to the service-related activity pursued in higher education, only performance assessment carried out by multiple assessors can provide the necessary result. Being the consumer of the services and the subject of training, the student is one of the most important assessors. This issue appears settled in Hungarian higher education; by and by all institutions will be compelled to introduce evaluation of its instructors by students. On the other hand, there are concerns connected to the fact that the majority of the institutions do not have considering the application of other formal means of performance assessment on their agenda. Assessing the performance of a higher education employee as an instructor solely on the basis of the students' opinion cannot be accomplished. To mention but a few of the seemingly unsolvable problems inherent in the assessment of the instructors on the basis of student evaluation, a student may provide an opinion even if he or she has not attended a single class or lecture of the instructor; some students tend to formulate a more negative opinion about tougher instructors, others may even

want to take revenge for some hurt they have suffered. Furthermore, group dynamic features like conformity are also manifest in the course of formulating student opinion. These factors may draw a rather distorted picture of the instructor on the basis of student opinion alone. Therefore it is absolutely necessary to have the immediate supervisor's assessment available on the basis of the performance factors listed above. Instructors' scientific output can be evaluated in a relatively simple and exact way using self-evaluation, thus it can be assessed by the individual concerned. The system of aspects to be used has been elaborated and tested in practice. A step forward could be made in this area if scientific results were evaluated on the basis of a system of identical scoring across a university or in a field of science on the national level, thus outputs could be comparable on the institutional or national level. At present, a publication may be assigned a score five times higher in one faculty than the other. It is important that the output of young researchers working under the guidance of a senior researcher be evaluated also by the thematic leader of research group leader. They should focus not so much on the output as on the efforts made in order to achieve it. As far as the evaluation of miscellaneous activities is concerned, that is obviously a task for the first-line supervisor. Nevertheless, a 360-degree assessment where peers could mutually evaluate each other's performance at the department or in the institution would also be useful. The output of unit heads as instructors, researchers and leaders should be assessed by competent faculty leaders (vice-deans of educational, scientific, student, public relations, and financial areas). Here, evaluation from the bottom up, i.e., assessment by subordinates, appears also necessary.

Performance assessment of units should be performed by unit leaders (self-evaluation) on the one hand, and top managers of the organization, on the other hand. Assessing the whole organization is again the task of the top managers of the organization, nevertheless, obtaining the opinion of medium-level leaders and, at specific intervals, employees may also appear useful.

An example to follow

The University of Leeds is one of the largest universities in the United Kingdom. With its 29,500 students its enrolment is the same with that of the University of Szeged, Hungary. The size of their staff is also similar: Leeds has 7,450 employees, Szeged has 7,465. This similarity makes it reasonable to examine the human resource management (HRM) including performance assessment at the University of Leeds. It can be a good example for how to implement a professional performance assessment system in a state owned higher education institution. My case study is based on the evaluation of the different documents of the University of Leeds (7). In 2000 a new, unified, staff review initiative was settled to focus the purpose of the activity on a review of objectives and job and career planning rather than a bureaucratic paper based imposition. Regular reviewer and reviewee training is provided and the new Fund for Special Payments specifically identifies ways in which rewards can be made for outstanding performance. It is the task of the heads of departments to appoint the reviewers. They are one of the staff's immediate supervisors or an experienced member of staff. After each review cycle departments are asked to confirm that reviews meetings have been completed and to report back any training needs or issues arising from the Reviews.

Heads of departments are reviewed by their dean biennially in relation to their performance in the headship role. They are required to invite staff (all categories) in the department to comment on their performance as head directly to the dean. Deans are reviewed by pro-vice chancellor, the vice-chancellor by the pro-chancellor. For senior managers also a 360° feedback review model was introduced through an online questionnaire. For senior management, staff peers and customers are encouraged to contribute to feedback. The HR department suggests using a review scheme to do the reviewing. The review scheme consists of 3 parts. Section A is a review of performance and progress since last review. In this section the reviewee is asked to

- review your progress during the period concerned, indicating particular achievements and strengths; any problems, concerns or constraints and the extent to which you believe you have met your previous objectives;
- evaluate the benefit of any training or professional development you have undertaken in order to meet your previously agreed objectives;

- suggest work objectives for the next 12 and 24 months and longer term including any wider career plans;

- suggest areas in which your skills and abilities might be developed and ways in which this might be achieved.

Section B is a record of discussions during the review meeting. This section should be completed by the reviewer within 10 working days of the review meeting. In this section the reviewer should give

- a summary of progress, achievements and performance for the period under review;
- objectives for the forthcoming 12 months and any longer term aims;
- personal and career development plans agreed.

In section C the reviewee can make his comments after reading the reviewer's opinion. A copy should be returned to the reviewer and to the head of department within ten working days of receipt. In the event of serious disagreement over the outcome of the review, the reviewee should request a meeting with the head of department or the designated second reviewer.

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